**MOULTON COLLEGE**

**FINANCE AND RESOURCES COMMITTEE**

**Meeting held on Monday, 22 January 2024 at 5.00pm in the IT Suite**

**Present:** Ashley Clarkson (Chair) Independent Governor

Charles Matts Independent Governor

Mark Wakeford Independent Governor – via teams

Mohamed Saeudy Independent Governor

Mustafa Regec-Noor Co-opted

Corrie Harris Principal

Karen Squires Staff Governor

**In attendance:** Alicia Bruce Chief Operating Officer

David Aldridge Executive Director Human Resource

Matt Smith Executive Director of Skills and Business Development

Andrew Bailey Director of Student Services (Items 90-98)

Sarah Bunney Finance Director

Catherine Duro Head of Governance

**SECTION A – JOINT AUDIT / FINANCE AND RECOURCES MEETING:**

**24/01 Year-End Accounts -Financial Statement 31st July 2023**

**24/02 ESFA Finance Record**

The Finance and Resources Committee joined the Audit Committee meeting for a shared receipt of the accounts.

The Finance Director began by explaining why the accounts were later than usual. The Committee received the draft accounts, which were complete and had been reviewed by the external auditors.

The highlights were shared, including the £0.3m surplus, better than forecast in the budget. A clawback on a grant was also explained. The use of the small surplus, generated for investment, in capital was shared.

The Finance Director explained that a challenge we have managed to overcome this year was regarding the finance costs, which have been £1.4m with the increasing interest rates. Government refinancing will be the same interest rate but with a repayment holiday, enabling greater investment in the college.

The changes in the two pension schemes, LGPS and TPS, were explained. Governors understood that every three years the actuaries valued the pension scheme and ours had gone into surplus, but due to accounting treatments this wasn’t carried into the balance sheet.

The provided ESFA financial records forms part of the suite of reports. It was explained to governors how the financial health score was calculated and what it means to the college.

It was shared with the governors that the college notice to improve said we only need one year of ‘RI’ to be out of intervention. This was debated at the last review meeting with the ESFA. It was expected that we would be moved to PIMS, Post Intervention Monitoring, so we should not be receiving another financial intervention letter. This was very positive news for the college.

The Management accounts will also track the ESFA rating. The accounts haven’t moved significantly from the period 12 accounts that were presented to the Finance and Resources Committee. This was **recognised** as important to uphold the integrity and reliability of the management accounts.

A query was raised around the narrative about the return to public sector. Clarification was provided, and confirmation that this was standard wording for all colleges this year.

A governor asked if we were expecting to be able to sign these off by the end of the month.

It was confirmed that the Board would be asked to sign off accounts on Thursday. The External Auditors were awaiting confirmation from the bank regarding the refinancing and would then be able to sign off the accounts. A draft had been seen and no issues were expected. If there was any change other than this after Thursday governors would be made aware immediately for consideration and approval.

**Resolved** that the accounts be recommended to the Board for **approval.**

**SECTION B – ROUTINE ITEMS AND GOVERNANCE:**

**24/03** **Apologies for absence (Agenda item 2)**

There were no absences to record.

**24/04 Declarations of interest (Agenda item 3)**

There were no declarations of interest.

**24/05 Minutes of last meeting (Agenda item 4, Paper C)**

The minutes of the . held on **11 December 2023** were **approved** as an accurate record for publishing, subject to a confidential matter being extracted.

**24/06** **Outstanding Actions (Agenda item 5. Paper D)**

There were no outstanding actions.

**SECTION C – Budgeting and Financial Performance:**

**24/07 Annual Capital Expenditure Report 2022/23 (Agenda item 6, Paper E)**

The report was received and **assured** the committee the capital expenditure was reasonable.

Expenditure was confirmed, from reserves and grants. The difference to budget was explained.

The use of grants for specific purpose was **questioned.** Governors understood the restrictions and the window of time until 2025/26 to spend these, for which they were **assured** plans were in place.

The capital projects in 2023/24 and 2024/25 were summarised.

**SECTION D – POLICIES**

**24/2 Human Resources Policies (Agenda Item 7)**

The summary paper was received, and governors appreciated having a reference which captured most of the significant of changes. The policies were reviewed individually.

**Workforce Development Policy (Paper F)**

A governor **asked** if the college offered staff development for casual staff. The Committee was **informed** that casual staff were offered the core and mandatory training but not typically supported in additional training.

**Resolved:** that the Workforce Development Policy be **approved.**

**Capability Policy (Paper G)**

The changes to the policy were explained. Governors **understood** the policy had been expanded, to include email as evidence of ongoing communication, which have clearly been received by both parties.

The flexibility of the period of review was also detailed.

**Resolved:** that the Capability Policy be **approved.**

**c External Work Policy (Paper H)**

The premise for the policy, approval process and policy changes were explained.

**Clarification** was provided as to who can give approval for further work, with periodic review. The expectation that the college was the primary employer was shared. It was therefore **agreed** that with appropriate notice the college would expect an individual to accept changes to their working hours etc as requested.

 It was **asked** if there was a financial threshold when the policy was applied. It was **confirmed** that the primary driver was the impact on the commitment to the college and the person’s ability to fulfil their role, doesn’t have financial limitations, any conflict is assessed.

 It was also confirmed that if someone was on a sessional contract, the college would not have the argument of being the primary employer. This was about establishment, permanently contracted staff, not short-term sessional work. Sessional staff have termly contracts, specifying their commitment. They get short term contracts, but terms are linked for continuity of service. It is known that those employed in this way are likely to have other commitments.

**Resolved:** that the External Work Policy be **approved.**

**Disciplinary Policy (Paper I)**

The Disciplinary Policy was received, and the changes explained.

A governor **challenged** the changed approach to a right to be accompanied, and the conflict of interest. It was **agreed** that the right to be accompanied must be upheld but that the college would reserve the right to offer an alternative accompaniment or reschedule a meeting. It was explained that the need to enforce this would be very rare, but it was important to have a policy in place in preparation. A companion will always be offered even if not the persons first preference.

Emails and informal communication can now be used as evidence within this policy, as a relevant information source.

Removal of the verbal warning was proposed and **explained**. The concept of a management advice letter in its place was introduced. The benefit of the letter compared to a verbal warning, and the period for which it applied was explained.

It was **confirmed** that this policy only applied to staff and the college had a separate student disciplinary policy.

It was **asked** if this draft had been reviewed externally, due to the changes proposed. The Committee were **assured** that the changes were consistent with those in place at other colleges and with AoC guidance.

It was **asked** that the significant changes be reviewed externally. **(Action DA)**

**Resolved** that the Disciplinary Policy be recommended to the Corporation for **approval.**

1. **Probation Policy (Paper J)**

The changes to the probation policy were **explained**.

It was **asked** if there would be any change to the length of probation if somebody wants to apply for a new role. It was confirmed that there were no restrictions but would be required to complete a full probation period in one role.

It was asked if recruitment was also undertaken by a line manager to start the relationship, or was it undertaken centrally. It was confirmed that a line manager was always involved in designing the job and person specification, and interviewing.

It was **asked** how it was decided what policies come to the Committee or Board and at what frequency. The central policy register was **explained** and **reassurance** given that it was uptodate, co-ordinated, and reviewed against external legal guidance from Eversheds.

It was **confirmed** that anyone currently in a process would have their process concluded against the policy version under which it began.

**Resolved:** that the Probation Policy be **approved.**

**Section D – CLOSING ITEMS:**

**24/09 Any other business (Agenda item 13)**

There was no other business.

**24/10 Impact of Governance (Agenda item 14)**

* Flexibility to approve accounts, in combination with Audit.
* Policies, very dry, useful to be able to discuss them and debate the changes.

**24/11** **Date of next meeting**

 Monday 18 March 2024 5pm